

Regional Review of the American Recovery and Reinvestment Act for Northeastern Illinois



I. Introduction

The American Recovery and Reinvestment Act (ARRA) provides a unique opportunity to evaluate the effectiveness of public policy intervention. Unprecedented strategies and investments were deployed to address the most severe recession since the Great Depression. The policy and programming solutions implemented by the ARRA were designed to not only stop economic decline, but also to build a stronger foundation for long-term economic prosperity. With over a year since the ARRA programs and policies came into effect, we can now assess initial progress, learn from accomplishments and challenges, and work to address obstacles to support better future success. It is critical we utilize this opportunity to ensure a successful recovery and lay the groundwork for effective future investments.

To help our region capitalize on this opportunity and support long-term success, CMAP and the Chicago Community Trust convened the Regional ARRA Coordinating Council to develop targeted strategies for maximizing ARRA resources throughout the region, specifically for housing, energy, weatherization, and workforce development. The participating agencies include: The Center for Neighborhood Technology, Chicago Jobs Council, Community and Economic Development Association, Grand Victoria Foundation, Housing Action Illinois, Metropolitan Mayors Caucus, Metropolitan Planning Council, Metropolis 2020, and the Recovery Partnership. Drawing on the insight and knowledge of these agencies, we are able to obtain a detailed understanding that will enable our ability to succeed.

The purpose of this report is to utilize the expert knowledge available through the Regional ARRA Coordinating Council in order to better understand the status of selected ARRA programs, identify opportunities, develop strategic responses to address challenges, and help ensure that these resources and future resources are used effectively and have a long-term impact. The ARRA is comprised of a complex and comprehensive set of investments. Several reports have recently emerged on the impact of these investments and policies, including Vice President Biden's Annual Report. Highlights from this report, an overview of the State of Illinois implementation of major ARRA programs, and key observations are summarized to help establish a context to better understand the factors that affect ARRA implementation.

A regional overview of progress based on the most current data available is provided for the following programs: Energy Efficiency and Conservation Block Grants (EECBG), Weatherization, Homeless Prevention and Rapid Re-Housing (HPRP), Workforce Investment Act (WIA) funding, competitive workforce development grants, and transportation formula and competitive funding. In addition, overviews of the Neighborhood Stabilization Program (NSP1), which was enacted through the Housing and Economic Recovery Act, and its successor, NSP2, which was funded through ARRA, are included. Foreseeable issues and recommendations on potential strategies to address challenges and support success are also provided.

In addition to the recipient reporting data, the participants of the Regional ARRA Coordinating Council (RACC) provide a qualitative analysis of the challenges, opportunities, and successes to date. Information regarding the Coordinating Council's experiences working with fund recipients was summarized to present a regional overview, specifically for the northeastern Illinois counties, including: Cook, DuPage, Lake, Kane, Kendall, McHenry, and Will.

Key observations:

- The Chicago region benefits greatly from the federal ARRA resource and programs. A total of \$5.3 billion in ARRA funding was made available to our region either directly from the federal government or through the State of Illinois.
- The region has also been very successful in obtaining federal ARRA funding through national competitive process to gain resources for local communities to address foreclosures, energy efficiency, workforce development, and other key programs.
- Unemployed individuals in our state directly received \$3.8 billion ARRA support as the result of the extension of the unemployment benefits. This amount benefits the unemployed individuals and the local economy.
- The state has received over \$2.9 billion ARRA funds to support education programs at local school districts. This ARRA education support helped retain or create nearly 47,000 jobs in the education sector.
- Over \$2 billion ARRA funding was provided to the state to help address human services needs, most of which has been used to cover medical assistance. Local communities also received human services funding to prevent and assist households at risk of homelessness.
- ARRA resources have been used effectively in our region to invest in repairing or building infrastructure that have long-term benefits. Through competitive process, our region also received awards that will improve freight and passenger transportation infrastructure, including over \$1.2 billion toward building a high-speed rail system.
- Federal investment for energy sufficiency programs to help low-income households in our region reduce energy costs, which lower the housing cost during the economic challenging time, increased by more than 20 fold. These investments also reduces energy usage which has direct positive impact on green house gas emission.
- State and local governments have done a heroic job to plan and implement ARRA programs with limited staff resource and tight deadlines. However, uneven capacity at agencies, or local government, administrating ARRA funded programs contributes to varying degree of success in program implementation and impact.

- During this time of declining resources and the resulting reduction of workforce in the public sector, inter-jurisdictional collaboration and innovative approaches to share resources and best practices show promise to bolster capacity and enhance results.
- Collaboration between the public and private sector, including non-profits and philanthropic organizations, has been crucial to the successful implementation of a number of ARRA programs.
- Federal support for existing programs show the greatest progress because of the existing structures and capacity. However, new programs show more promise to address challenges with innovation.

II. Reporting Data and Terminology

Transparency is one of the cornerstones of the ARRA and as such, a significant amount of data is made available on every stimulus funded project, program, contract, and loan. Fund recipients are required to report quarterly to the federal government and much of this reporting data is made available on the federal recovery website. In addition, the state of Illinois has made impressive efforts to show an unprecedented level of transparency and to provide access to data on programs administered by or that flow through the state. Both the State of Illinois and the federal government have implemented user-friendly websites that allow the public to search for and map specific projects and see where stimulus funding is going. Setting a new standard for transparency is laudable and provides the opportunity to analyze and track progress locally and to develop appropriate responses. Indeed, there is so much data available it can be overwhelming. Accordingly, this report will not spend time examining individual projects, but instead focuses on providing a regional summary of this data.

A regional summary is helpful to see the overall status of spending, but it prohibits the project level detail that shows the full impact of ARRA funded projects and programs. Job creation and retention has been the emphasized metric to measure impact, but in reality, the greater impacts are the comprehensive effects of the payments, programs, services, and other investments. For the most part job creation and retention figures only include the staff paid by ARRA funds to implement ARRA funded programs and services. Particularly in the programs examined in this report, the majority of ARRA funds are going towards the services provided and costs associated with the programs, rather than the program administration. The impacts of these programs are not easily quantified or aggregated and unfortunately may be overshadowed by job data. An important intent of this report is to describe the status of program implementation and provide a more accurate depiction of the impact rather than rely exclusively on job creation and retention data.

In order to interpret the data most effectively, a few explanations on the data sources, dates covered, and terminology is needed. A combination of federal and state data was used to provide a more complete summary. Data from the federal recovery website was used for the EECBG and HPRP as a significant portion of the funds in these programs flow directly to local recipients and does not go through the state. Data provided by the state¹ was used for WIA, Weatherization, HPRP, and transportation projects. NPS1 data was provided by the Snapshot Repots available on the Department of Housing and Urban Development's (HUD) NSP Resource Exchange website.² Federal data is current as of March 31, 2010 and state data is current as of April 30, 2010. NSP1 data is current as of May 1, 2010.

Terminology and Definitions

Multiple terms are used to describe the status and impact of ARRA dollars. Definitions are not always consistent between the federal data and state data. The following terms and definitions are the most commonly used:

Obligated Funds: Funds that are obligated have been committed by the funding agency to a project or program expense but have not yet been awarded and spent. An obligation is a binding agreement that requires the government to make payments immediately or in the future.

Awarded Funds: Funds awarded by the federal government have been disbursed or paid out to a sub-recipient (often the state), but does not necessarily mean the funds have been spent. The State of Illinois categorizes funds that have been allocated to the sub-recipient as awarded.

Spent or Invested Funds: Funds are considered spent and invested in projects once they have been disbursed and expended on the intended project or payment.

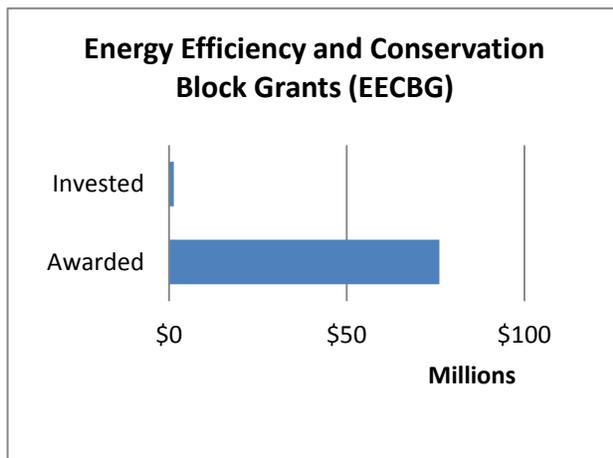
Jobs created or retained: The jobs created or retained are the positions or hours funded by ARRA funds, but not indirect job creation figures.

¹ <http://recovery.illinois.gov/>

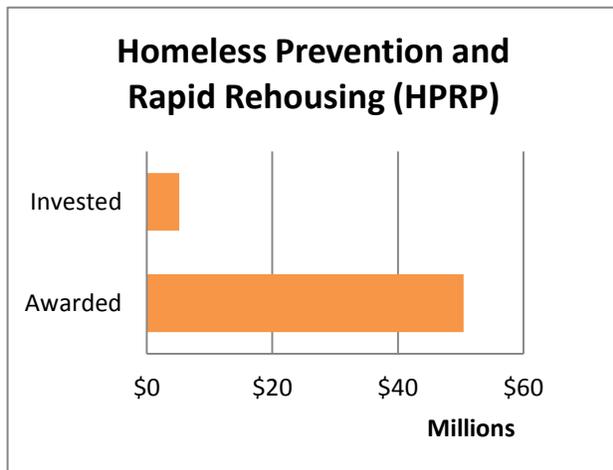
² <http://hudnsphelp.info/index.cfm?do=viewSnapshotHome>

III. Status of ARRA Funding

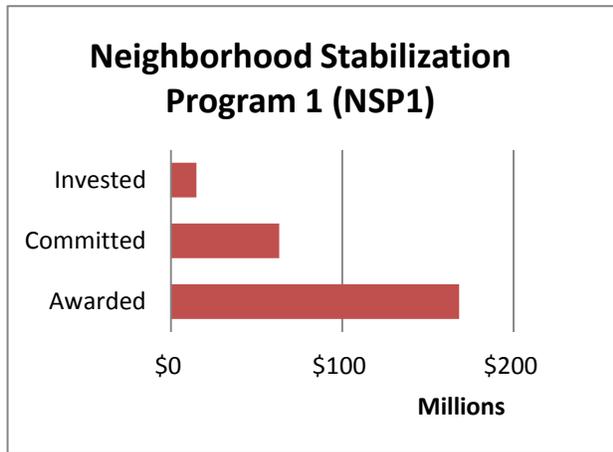
The following charts illustrate the status of funds awarded and invested in the programs examined in this report. The data reflected in these charts are only for activity in the northeastern Illinois region. This overview shows which programs are investing their dollars, and which have significant work to do. Program deadlines and other relevant information is summarized to provide the context.



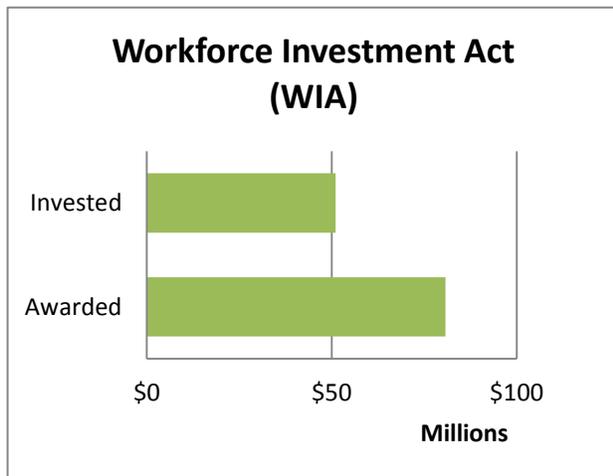
The EECBG is a new program that provides formula grants to states, counties, and municipalities. **Recipients must commit funds to projects within 18 months of the award and spend all funds within three years.** Awards were announced beginning in late summer 2009 through early winter, although some applicants required revisions which resulted in delay in receiving funding.



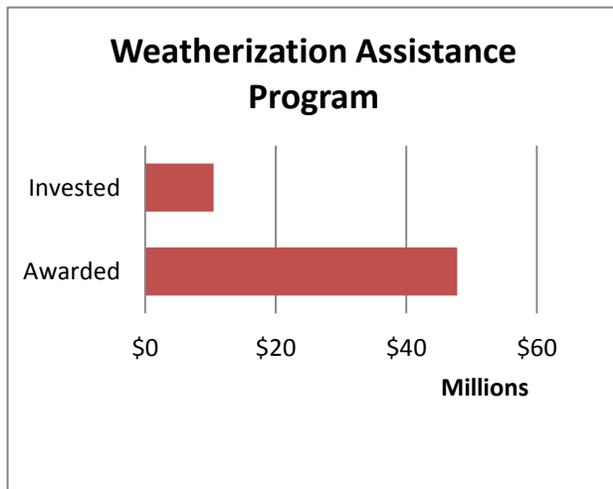
HPRP is a new program that formula grants to states as well as designated county and city agencies. **Sixty percent of HPRP funds must be spent by September 1, 2011, two years after funds became available to the grantees for obligation. 100% must be spent within three years.** While start-up issues contributed to slow spending thus far, none of the recipients interviewed are concerned with spending all funds within the required time period.



NSP1 is a new program to address the foreclosure crisis by distributing formula funding to counties, municipalities, and states. Much of this formula funding is sub-granted through a competitive process. **Grantees are required to commit funds by September 2010.** All funds must be invested four years from when the grant agreement was signed.



The majority of funds for workforce development training and services were distributed via the existing WIA structure; Local Workforce Investment Areas received funds in May 2009. **Even though the funds are available until June 2011, most of the WIA ARRA funds are expected to be fully expended by the end of June 2010.** There is concern about the continued high demand for services and diminished resources once funds are fully expended.



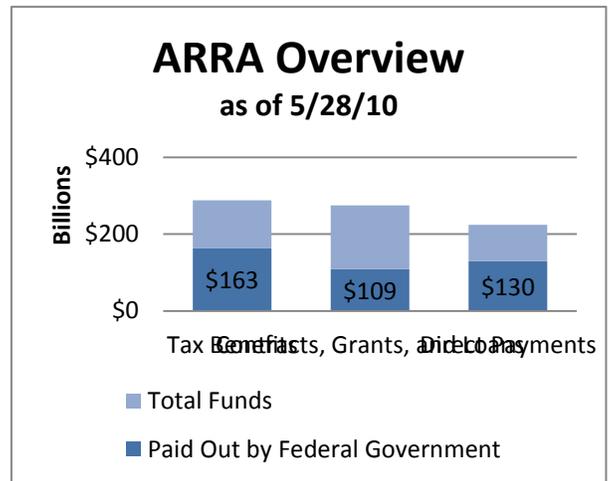
The state received a total of \$242.5 million for weatherization which is an increase of 20 fold from previous years funding. The ARRA weatherization funds are distributed using the existing structure. Community Action Agencies receive the funds and deliver the services. **Forty percent of funds must be spent within the first year, which began July 1, 2009. As of February 28, the region has been awarded \$48 million and has invested a seven percent of this award.**

IV. National, State, and Regional Observations

National Overview

The \$787 billion dollars that was made available through the ARRA was virtually distributed evenly between tax benefits, payments to states and individuals, and contracts, loans, and grants. The purpose and process of each type of outlay differs significantly and while the focus of this report is on the grants, it is important to note the progress and impact of the Recovery Act in its entirety. This is especially important as the impact of tax benefits have little impact on job creation or retention, but rather provide individuals and business with a financial boost. Direct payments also have a lesser impact on job creation, but focus more on supporting those that need it the most. Vice President Biden’s Annual Report on the progress of the Recovery Act shows that a significant impact has been made; gross domestic product has begun to increase, job losses have declined, Unemployment Insurance claims have decreased, and more than one million jobs have been created or saved by the Recovery Act.

The following chart shows the status of spending as of May 28, 2010. Nearly 57 percent of the tax relief outlays have been paid out and 95 percent of families have seen tax cuts. Approximately 60 percent of funds awarded directly to states and individuals through “payments” have been paid out, primarily for Unemployment Insurance, Medicaid, State Fiscal Stabilization, and Social Security and Veterans Payments. Tax relief and direct payments provided direct support to help ease the financial hardship that many were facing, extended unemployment benefits, prevented additional layoffs, and helped states from growing their deficits.



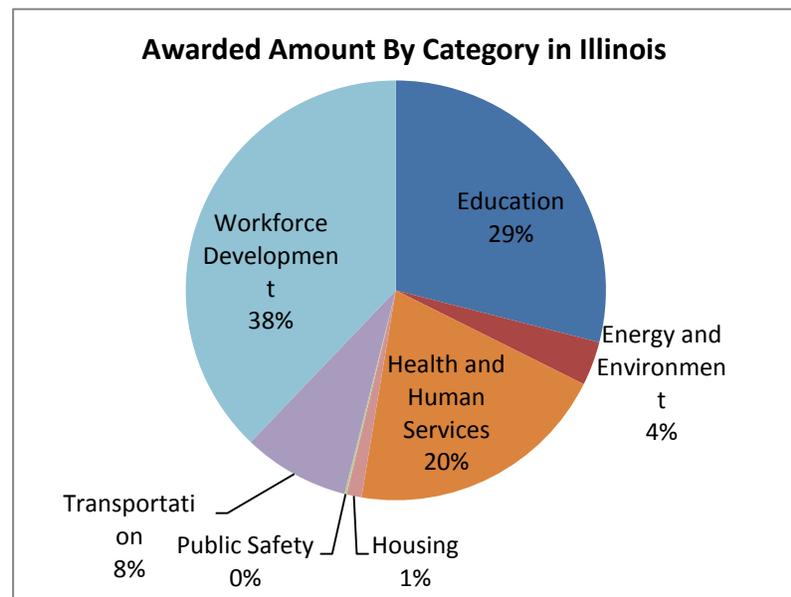
The ARRA included \$275 billion for projects that will not only rebuild critical infrastructure, but will also lay the foundation for a stronger economy. The Recovery Act includes funds for a wide range of investments, including funds to rebuild roads and bridges, expand broadband, reform school systems, develop clean energy technologies, retrofit buildings to be more energy efficient, and train workers for the emerging green economy and other industries critical to the nation’s health. Approximately 40 percent of funds for grants, contracts, and loans have been disbursed. A considerable portion of funds disbursed have been merely passed through to the states, with no actual spending of the funds having taken place. The immediate impact of these funds will be seen in the jobs created or retained, but more importantly, these investments will have a long-lasting effect on the quality of critical infrastructure, including its workforce, buildings, and technology.

Despite signs of economic recovery, including job gains instead of losses, our economy still has much recovering to do. The March 2010 unemployment rate for Illinois was 11.7 percent, higher than the national average of 9.5 percent. The percentage of the unemployed labor force that are unemployed for more than six months is higher than in any previous recession.³ Throughout the state, families are becoming more reliant on human services as they experience a loss of wealth and assets. The Recovery Act has played and will continue to play an important role in responding to the most significant economic crisis we've faced, yet countless individuals continue to struggle and this may actually worsen once ARRA funds are fully expended and state budget cuts impact essential human services.

State of Illinois Overview

According to the State's Recovery website, as of April 30, 2010, the State of Illinois had made 4,603 ARRA awards totaling \$10.3 billion in funding. The following chart and table shows how the State's ARRA funds are distributed. At the time of reporting, \$8.7 billion, or 85 percent, of these funds had been disbursed, creating or retaining approximately 60,650 jobs. This only includes awards that pass through the State; other awards including the formula EECBG do not go through the state and are not reflected in these figures. The State classifies ARRA awards under seven basic categories: Health and Human Services, Education, Energy and Environment, Housing, Public Safety, Transportation, and Workforce Development. Both direct payments and grants, contracts, and loans are included in these categories.

Project Type	Awarded Amount	Percent Paid Out
Education	\$2,987,184,985	78%
Energy and Environment	\$349,636,632	35%
Health and Human Services	\$2,085,331,033	95%
Housing	\$119,389,399	33%
Public Safety	\$16,993,834	62%
Transportation	\$846,285,557	56%
Workforce Development	\$3,901,360,881	99%
Total	\$10,306,182,320	86%



³ http://nelp.3cdn.net/293e945d00a0f74be2_xym6b5s1j.pdf

Workforce Development

Workforce Development is the category with the largest amount of funding due to the inclusion of Unemployment Insurance, which makes up 96 percent of workforce development funding. Illinois has been awarded \$3.8 billion for Unemployment Insurance of which 100 percent has been paid out. This statistic is hardly surprising as a key component of this and other direct payments made to Illinois from the ARRA were to give immediate relief to Illinois residents, which required funding to be spent as soon as it was received by the State. Other programs included in the Workforce Development category included three programs that are normally funded by the Workforce Investment Act and a program that was designed to give employment training to older workers. The Workforce Investment Act programs are discussed in greater detail later in this report.

Education Payments

There are 12 programs that fall under the category of Education, which totaled nearly \$3 billion. These awards comprised 29 percent of all of Illinois' ARRA funding, of which nearly 78 percent has been paid out. Fifty-six percent of education funding was awarded to school districts as part of the State Fiscal Stabilization Fund. This fund has the largest impact on job creation/retention; nearly 47,000 jobs were reported as created or retained through this award, which is almost 80 percent of the total jobs created/retained reported by the State. The majority of other awards in education were for Special Education Grants, Title I Grants to Local Education Agencies, and Grants Services division of the State Fiscal Stabilization Fund. The remaining funds are allocated to a variety of projects, including programs to assist individuals with disabilities, increase funding for pre-school programs, support advancements in educational technology, and aid in the care and schooling for homeless youth.

Health and Human Services

There are 18 projects or payment types that fall under the category of Health and Human Services that have received a total of \$2.1 billion in ARRA funding, accounting for 20 percent of all the State's ARRA funding. The overwhelming majority of this fund, 91percent, was associated with the Medicaid Federal Matching Assistance Percentage (FMAP) Increase. As this is a program designed to give immediate relief to Illinois residents, funding is spent nearly as fast as it is acquired, accounting for the 100 percent investment rate. Funding for other programs in this category include over \$31 million for child assistance services (child care enforcement, foster care, adoption services), over \$4 million for additional health services (immunizations, primary care services), and \$50 million to assist homeless or other individuals in need of critical financial assistance (emergency meal services, and the Homeless Prevention and Rapid Re-housing program which is described in greater detail in a following section of this report).

Transportation

Transportation projects are not further categorized by program, therefore it is difficult to summarize transportation projects beyond a high level overview. However, a more detailed regional overview is given later in this report. As of April 30, 2010, the State has been awarded \$846 million in funding for 647 transportation projects. Approximately \$472 million, or 56 percent, of these funds had been spent, and 188 jobs have been created or retained as a result. The amount of individual awards varies greatly, with some awards being as little as \$50,000, while others are as large as \$23 million. About \$389 million has been awarded to projects in the northeastern Illinois region, and about half of this has been spent. ARRA awards fund an assortment of Transportation projects, including resurfacing, widening, and reconstruction projects, as well as new vehicle purchases, engineering services, and bridge replacements, among others.

Energy and Environment

Energy and Environment projects account for nearly four percent of all of Illinois ARRA funding, or almost \$350 million. Thirty-five percent of this funding had been spent at the time of reporting – second to the lowest rate among all categories. Despite this fact, over 1,000 jobs had been created using ARRA funding that was tabbed for these projects. There were 11 Energy and Environment programs that received ARRA funding. Three of these programs received nearly 91 percent of this funding: Weatherization (24 percent), Wastewater Loan Program (45 percent), and Public Water Supply Program (21 percent). The Wastewater Loan Program provides funding for the “financing of construction of wastewater treatment facilities and associated infrastructure, green infrastructure, nonpoint source projects, estuary projects and program administration.” This program received over \$150 million, of which approximately \$50 million, or 32 percent, has been spent. The state did not, however take advantage of the federal guideline that 20% of these funds be used for green infrastructure projects. The Public Water Supply Program provides financing for drinking water facilities and related activities and has received almost \$75 million in funding, of which 40 percent has been spent. Weatherization projects will be discussed later in this paper. Other Energy and Environment projects that have received ARRA funding include projects that promote energy efficiency and clean energy, as well as projects that provide assistance to Illinois farmers.

Housing

The state’s housing category includes two programs that have received more than \$77 million in ARRA funds, which account about one percent of all of Illinois’ ARRA funding. All of these funds were awarded to either the Tax Credit Exchange Program or the Tax Credit Assistance Program. The Homeless Prevention and Rapid Re-housing program is in the Health and Human Services Program and there is not yet reporting data on the Neighborhood Stabilization Program 2. The Tax Credit Exchange Program has made 16 awards totaling nearly \$47 million. This program was designed “to make cash assistance available to State housing credit agencies for sub-award to developers of qualified buildings”, thereby paying for the construction of low-income housing in Illinois. There were two awards in Chicago and two in Will County, for a total of \$13 million in the region. The other state housing program is the Tax Credit Assistance

Program, which was designed to provide “grant funding for capital investment in Low Income Housing Tax Credit (LIHTC) projects via a formula-based allocation to State housing credit agencies. The housing credit agencies in each State shall distribute these funds competitively and according to their qualified allocation plan.” The state has made 19 awards totaling nearly \$73 million. Six of these awards are in the City of Chicago, totaling almost \$33 million. Other awards in the region include an award in Will County and an award in Lake County. Housing projects have the lowest rate of funds spent with 33 percent of funds have been disbursed thus far and a total of 32 jobs have been created or retained through these two housing programs.

Public Safety

Public Safety projects have received the lowest share of Illinois’ ARRA funding to date, with only about \$17 million, or 0.2 percent of funding. Like the Transportation projects, Public Safety projects are not further categorized by program. Unlike the ARRA funded Transportation projects, only 16 Public Safety projects received ARRA funding. The state has made 94 awards to police departments, narcotics units, and a variety of other public safety related programs. The program that received the most funding was the Day Reporting program, which received \$3.8 million, or 22 percent, of all ARRA funding for projects that fall within this category. The Day Reporting Program provides a variety of services to high-risk parolees that are returning to neighborhoods in South Chicago, with the aim of reducing the overall rates of recidivism. Other projects receiving at least \$1 million include Safety Net Works, a project designed to give preventative and rehabilitative services to address youth violence, and the Facilities, Restoration, Sustainment, and Modernization program, designed to “improve Safety, Energy efficiency and Quality of Life for 13 separate undertakings at Illinois Army National Guard facilities located in” Illinois. Other Public Safety projects include domestic violence services, conflict mediation, and juvenile justice services.

Overarching Challenges

There are many challenges in addressing a recession of the magnitude we’ve just experienced and continue to overcome. The ARRA is a national experiment that consists of comprehensive policies and investments designed to quickly stop the current economic downturn, while also setting priorities and laying the groundwork for future investment. The administration crafted a stimulus package that provided funding to both existing programs, such as the Workforce Investment Act, as well as new programs, such as the Energy Efficiency and Conservation Block Grant. The stimulus package required some existing programs, which already had well established mechanisms and structures, to be modified or adjusted in some way, and some saw dramatic increases in these programs budgets.

Important lessons emerge when evaluating the effectiveness of the ARRA programs. Quantitative data on the percent of funds spent indicates whether obstacles or challenges in program implementation are present. However, these numbers do not indicate whether or not

the program is innovative, or if it is strategically investing in a longer-term return. The programs with existing structures and minimal change in scale and scope are effective at spending dollars, but may not be building a path to a more sustainable future. Similarly, the programs that have greater flexibility and encourage innovation experience delays, and present risks that are at odds with the job creation and shovel-ready priorities of the Recovery Act. Yet these programs may have a greater long-term impact and reveal creative and more effective ways to utilize funds.

To manage the diverse and complex set of investments within the Recovery Act, rapid responses and an unprecedented level of organization was required from federal departments, state and local governments, civic and advocacy agencies, and many other institutions. Yet the reality of uneven capacity across agencies at all levels of administration has challenged the overall success of program implementation. A transitioning administration and new department staff at the federal level, coupled with Illinois' transitioning state government, has added obstacles to implementation. The State of Illinois' hiring freeze precluded the state from adding the capacity needed to ramp-up administration and other needed functions. The ARRA presented an opportunity for governments to be innovative, but also placed high priority on meeting new and sometimes obscure requirements under strict timelines. The full potential of the opportunities laid out in the ARRA has been threatened by uneven capacity. At the same time, new partnerships between agencies at the state and federal level have emerged and entities across the region have pooled their resources and expertise to be more effective. Many of these partnerships will outlast the Recovery Act and are an unintended consequence with a long-term positive benefit. The City of Chicago's Recovery Partnership is an example of a public-private partnership that serves a great example. The Recovery Partnership continues to provide support for a successful recovery; their 12 month report provides an extensive overview of how this kind of collaborative effort is making a difference.⁴

There is much to be learned from the first year of the Recovery Act. There is a significant amount of data and a variety of experiences within the state and from across the country that provides valuable guidance for future investments and implementation. The outcomes of this national experiment should be examined closely to identify where modifications may be needed and to expand and replicate what works well.

V. Detailed Review of Specific Programs in Northeastern Illinois

In order to provide a more accurate representation of the ARRA programs, a combination of federal recovery and state recovery data is used in this section. While the Federal Recovery website provides detailed data for direct recipients of program funds, it lacks specific information for sub-recipients – information that is available on the State's Recovery Website. Programs that have at least a portion of funding that does not pass through the state include:

⁴ See Chicago Recovery Partnership's Twelve-Month Report here: http://recovery.cityofchicago.org/etc/medialib/stimulus_site/press_releases.Par.39314.File.dat/Recovery_Partnership_Report.pdf

Energy Efficiency Block Grant, Homeless Prevention and Rapid Re-Housing, Community Development Block Grants, and the Neighborhood Stabilization Program 2. Funding data for these programs is for the period of February 17, 2009 to March 31, 2010 and jobs data is for the period of January 1, 2010 through March 31, 2010. Programs that at least partially pass through the state include: Homeless Prevention and Rapid Re-Housing, Workforce Investment Act, Weatherization, and Community Service Block Grant. State data on the implementation of these programs covers the beginning of the program to April 30, 2010.

This section summarizes the available data, provides a description of the challenges and triumphs in program implementation and highlights future opportunities and recommendations.

Energy Efficiency and Conservation Block Grant

Program Overview

The Energy Efficiency and Conservation Block Grant (EECBG) provides grants to states and local governments to fund programs and projects that reduce energy use and deploy renewable energy technologies. The program was originally authorized in 2007 by the Energy Independence and Security Act but was funded for the first time through the ARRA. Funding for this program is not included in the proposed Federal FY2011 budget. Administered by the U.S. Department of Energy (DOE), a total of \$3.2 billion was made available for this program, 85 percent of which was awarded by formula based on population. Program funds are eligible to be utilized in a number of ways, but specific emphasis is placed on job creation and reducing energy consumption. Formula awards were announced beginning in the late summer through early winter; recipients must obligate all funds within 18 months of the award and invest all funds within three years.

In addition to the formula grants, \$454 million was made available nationally through a competitive process. Applications were due in December and DOE made announcements in April. A regional collaboration led by CMAP in partnership with the City of Chicago and the City of Rockford, with support from suburban and regional stakeholders -- will receive \$25 million to transform the market for carrying out energy-efficient retrofits to commercial and residential buildings in northeastern Illinois. In addition, \$64 million was announced for innovative programs (topic two) for local governments that did not receive formula grants; no awards were made in the seven-county region.

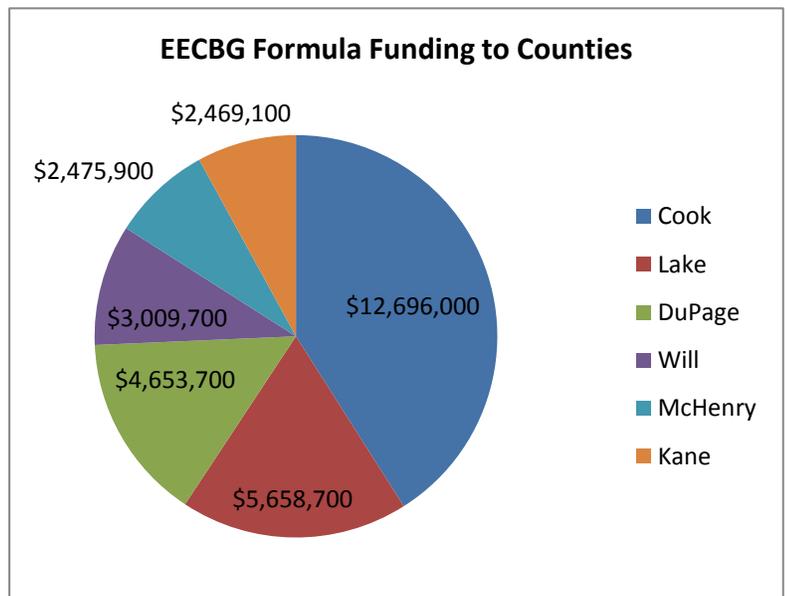
Regional Overview

Thirty-nine municipalities and six counties in the CMAP region were allocated nearly \$77 million through formula grants. This represents approximately 69 percent of all EECBG formula funding that was allocated in the state of Illinois. By the end of March 2010, a total of 37 municipalities and all the recipient counties had reported on their spending of EECBG funds. Reporting data showed that in the region, only \$1.4 million, or 1.8 percent of awarded funds

had been spent on projects and approximately 20 jobs have been created or retained as a result. Jobs created and retained using the Energy Efficiency and Conservation Block Grant funding will/is largely employing engineers, construction workers, and consultants.

Nineteen municipalities and one county reported spending zero dollars. The city with the greatest percent spent is Park Ridge, which reported spending 100 percent of their \$159,000 award on an HVAC system. The Village of Bartlett reported spending approximately \$55,000, or 35 percent of their award on pedestrian walkways and solar panel lighting systems. The Village of Oak Lawn has spent the highest dollar amount, nearly \$174,000. The Village of Schaumburg has spent the second highest dollar amount, nearly \$110,000, on a contract to develop a new website that will measure progress of their Comprehensive Green Action Plan (read about it here: http://www.cmap.illinois.gov/news/recovery/update_10-14-09.aspx).

The following chart shows the distribution of formula funding to the qualifying northeastern Illinois counties; Kendall County did not receive a formula grant because the population requirement was not met. Only 1.4 percent of the County formula grants have been spent. Cook County reported spending zero dollars, with McHenry County has spent the most, nearly \$200,000 or 8 percent of their award.



The State of Illinois was awarded \$22 million by formula, 60 percent of which they must allocate to smaller communities that did not qualify for formula grants.

DCEO is administering the program through the Illinois Association of Regional Councils, which will then sub-grant awards to regional planning agencies. The Metropolitan Mayor's Caucus is administering \$2.7 million allocated to the seven county northeastern Illinois region. Funds will be awarded through a competitive process; 245 municipalities and Kendall County are eligible applicants. Awards will be made summer of 2010.

Challenges and Successes

The main challenge with the EECBG will be obligating the funds within the required time period. Recipients must commit funds to projects within 18 months of the award and spend all funds within three years. As the reporting data shows, very little of funds have yet to be spent. Most direct formula communities have received approval and funding in the summer and fall of 2009; however, some EECBG applications required revisions that resulted in a delay in the

receipt of funding. Initial challenges during the application process included identification of appropriate strategies, which required a quick learning curve for some communities. After the application process, another challenge that arose involved a perceived lack of administrative direction and communication administratively in regards to DOE. The latter challenge pertained especially to cases when DOE was requesting more information or revisions from applicants, but failed to directly and effectively communicate those requests to the municipality. In one case, a municipality did not discover that a revision was required until they initiated communication with DOE because they had not received any notification on the approval/funding of their application. Once a simple revision was made, funding was approved and received. Finally, another challenge is the economy and municipal budget cuts. Many municipalities are stretched to their limits in available staff time dedicated to implementation of EECBG strategies, as well as other municipal functions.

Successes are hard to identify at this point. A number of municipalities have just begun the Energy and Efficiency Conservation Strategy planning process, so they are merely in the beginning stages of implementation. In addition, several municipalities have only recently received EECBG funding, making it especially difficult to give an update of successes thus far. However, many municipalities have plans that are leading in the direction of success, and should have a more thorough report on successes as the year moves forward. Additionally, those communities that were already active in sustainability and energy efficiency work typically have more comprehensive plans that have more potential to lead to effective implementation.

The State's formula grant was approved by DOE in September 2009, and the \$22 million must be spent within three years. The State's ability to spend the 60 percent in non-entitlement communities may be challenged because of restrictions in place and the process to date. Requiring local governments to provide a minimum match of 25 percent will likely challenge the ability of funds to be awarded because of the financial hardships most communities are facing. In addition, requiring regional planning agencies to use a minimum of 33 percent of their funds for retrofits and requiring applicants to also apply for Energy Efficiency Portfolio Standards funding may impede attempts to spend these funds in the most practical and efficient manner.

Anticipated Future Progress and Issues

Many municipalities that received formula grants will be forced to continue to endure staffing cuts, which will continue to challenge program implementation as well as ensuring all federal requirements are met. There are several agencies that exist in our region that can provide additional assistance in the development of projects, benchmarking data, and other useful information as part of their scope of current projects and missions. For example, the Center for Neighborhood Technology (CNT) has been providing technical assistance and continues to work with municipalities and counties. CNT has launched an online forum where EECBG

municipalities can communicate challenges, best practices, and share resources. An emerging challenge many municipalities is facing are the project compliance and monitoring requirements. ARRA funded construction projects require significant amount of reporting and monitoring. Federal and state efforts to reduce complications through categorical exclusions to National Environmental Policy Act (NEPA) rules and the Historic Preservation Protection Act (HPPA) help, but tracking compliance and ensuring the Davis-Bacon wage requirements are enforced requires significant amounts of time.

Recommendations

- Improve communication by identifying specific DOE communications point person.
- Utilize regional communications network to serve as sounding board for municipalities facing common barriers, champions successful projects (especially those that are replicable), and develop a common process for measuring successes.
- Provide technical assistance to grantees for developing compliance and monitoring tools.

Homeless Prevention and Rapid Re-Housing

Program Overview

The ARRA includes \$1.5 billion for a new program to address homelessness, the Homeless Prevention and Rapid Re-Housing Program (HPRP). The funds are distributed by HUD using the same formula used for Emergency Shelter Grants and are awarded to cities, counties, and states. HPRP will provide financial assistance and services to prevent individuals and families from becoming homeless and help those who are experiencing homelessness to be quickly re-housed and stabilized. HPRP is intended to target individuals and families who would be homeless *but for* this assistance. The funds provide a variety of assistance, including: short-term or medium-term rental assistance and housing relocation and stabilization services, including such activities as mediation, credit counseling, security or utility deposits, utility payments, moving cost assistance, and case management services.

Awards are made from HUD and a significant portion is granted to States which then sub-grant the funds. According to the report from DCEO, "Jobs created and retained using the Homelessness Prevention and Rapid Re-housing (HPRP) grant funding will employ counselors, social workers, case workers and other community and social service specialists that assist people to remain or be placed into rental housing. The Illinois Department of Commerce and Economic Opportunity (DCEO) received the award notice for this funding opportunity on July 13, 2009. Prior to the award notice and in the months following, the agency has been diligently working on researching and developing the most effective and efficient method in which to disperse this brand new funding source as to have the most beneficial impact on the citizens of Illinois. DCEO in partnership with the Illinois Department of Human Services (DHS), the Illinois Continuum of Care Network (CoC), and the Department of Housing and Urban Development (HUD) concluded that pre-established DHS Homeless Prevention Program

methods would be utilized and employed to assist in the HPRP endeavor. The determination was made for the oversight and disbursement of the funding to be allocated to the eighteen Illinois CoCs. This decision was based on population and measures of distress including poverty, age of housing, housing overcrowding and growth lag. The sub-recipient grant agreements were finalized and fully executed on September 30, 2009 and became effective on October 1, 2009. On Monday, October 26, 2009, HUD activated and made available the actual funding for the program and DCEO will begin to disburse the grant awards according to the agreements. In the months ahead the HPRP program will be well under way and jobs created and retained by this funding will be reported in the next quarter of the Office of Management and Budgets quarterly reporting.”

Sixty percent of funds must be spent within two years of the date that funds became available to the grantees for obligation (the date HUD signs the grant) and 100percent must be spent within three years. HUD executed all HPRP direct grant agreements to counties and municipalities by September 1, 2009.

Regional Overview

Data from Recovery.gov and the Illinois Recovery website is summarized to describe the implementation of the HPRP in the region. The State’s data provides additional detail on the sub-grants made from their direct award from HUD. Grant recipients are required to report the amount spent, but the data shows the amount sub-granted from primary recipients is not included in the spent amount reported.

Illinois will receive \$70 million in funding, \$50 million of which will be awarded in the region. The Illinois Department of Commerce and Economic Opportunity (DCEO) received approximately \$20.3 million and as of the end of 2009, \$5.3 million has been sub-granted to 12 sub-recipients that operate as Continuum of Care providers. Seven percent of this has been spent by the State’s sub-grantees, creating nearly eight jobs.

The awards from the State of Illinois to the northeastern Illinois region are summarized in the following table.

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Recipient	City	Award Amount	Percent Spent
Public Action to Deliver Shelter Inc	AURORA	\$207,362	7%
Quad County Urban League	AURORA	\$117,500	22%
The Catholic Charities of the Archdiocese	CHICAGO	\$954,829	23%
Community Crisis Center	ELGIN	\$795,983	26%
Catholic Charities	JOLIET	\$1,537,256	12%
Pioneer Center of McHenry County	MCHENRY	\$45,000	10%
DuPage County	WHEATON	\$376,607	10%
Outreach Community Ministries Inc	WHEATON	\$151,531	14%
People's Resource Center	WHEATON	\$407,256	18%
Consumer Credit Counseling	WOODSTOCK	\$45,000	0%
McHenry County Housing Authority	WOODSTOCK	\$363,708	3%
County of Kendall	YORKVILLE	\$322,705	73%
Total Subgranted by the State to the Region		\$5,324,737	19%

HUD also made direct HPRP awards the Continuum of Care agencies, ranging in size from about half a million to McHenry County to more than four million to Cook County. In addition, several cities received direct awards from HUD; Chicago received the largest amount, nearly \$34 million. The following table shows the awards made directly from HUD to agencies and local governments in the northeastern Illinois region. Most direct recipients make sub-grant funds to service providers. The largest such sub-grant is a \$24 million award made by the City of Chicago to The Emergency Fund. According to the Recovery.gov reporting data, at the end of March 2010 none of this grant had been spent by sub-grantees. While the City of Chicago has sub-granted 83percent of its \$34 million award, yet none of the sub-grantees have reported any spending. Overall, more than \$45 million was awarded directly to agencies and local governments in the Northeastern Illinois region and about nine percent of this has been spent, as shown in the following table.

Direct Recipient	Award Amount	Amount spent by direct awardee	Amount awarded to sub-grantees	Amount spent by sub-grantees	Percent spent total
CHICAGO, CITY OF	\$34,356,259	\$1,460,890	\$28,454,650	\$0	4%
WILL COUNTY	\$602,271	\$98,548	\$0	\$0	16%
KANE, COUNTY OF	\$517,394	\$42,263	\$495,745	\$41,100	16%
EVANSTON, CITY OF	\$801,460	\$69,926	\$584,200	\$50,000	15%
DU PAGE, COUNTY OF	\$1,443,723	\$117,922	\$1,400,411	\$111,324	16%
AURORA, CITY OF	\$506,883	\$40,578	\$0	\$0	8%
OAK PARK, VILLAGE OF (INC)	\$796,581	\$784,631	\$0	\$0	98%
LAKE, COUNTY OF	\$1,057,106	\$192,036	\$1,017,518	\$477,709	63%
MC HENRY, COUNTY OF	\$540,732	\$5,082	\$513,696	\$5,082	2%
COOK, COUNTY OF	\$4,121,046	\$257,282	\$1,431,830	\$246,400	12%
BERWYN, CITY OF	\$559,545	\$62,473	\$531,568	\$62,143	22%
Total Direct Awards to Northeastern Illinois	\$45,303,000	\$3,131,631	\$34,429,618	\$993,758	9%

Challenges and Success

Although they acknowledged that there were some start-up issues that likely contributed to slow spending, providers and advocates interviewed for this update and who are involved in the HPRP Program in the region uniformly believe that this is a stimulus program that is now working. No one thought that there would be problems with spending the allocated funds within the time period allowed by the program.

According to the interviewed providers and advocates, HPRP is working because it utilizes existing networks, like the Continuums of Care, and experienced service providers to provide most of the services. Additionally, the generally flexible nature of the program allows the providers to use funds to better meet the particular circumstances of the clients they are serving. Relying on the Continuums and experienced providers to implement this program also allows for existing referral systems to be utilized, which ultimately assists eligible clients in getting their needs met in a relatively timely fashion.

HUD has recently begun to host nationwide question and answer webinars that many providers within the region noted as helping them better understand program nuances, e.g., certain eligibility criteria, and reporting requirements. They urge that these webinars should continue as they provide welcome assistance to providers during these early stages of the program, assisting them in dealing with unique situations as they emerge.

Many providers also mentioned that being able to use their existing HMIS database to report for the HPRP Program has made it easier for them to administer the program. This supports the general idea that using existing systems and experienced providers can help programs get up and running quickly.

Anticipated Future Progress and Issues

There has been no expressed concern with spending the allocated funds within the three years required for this Program. Nor has anyone noted any problems with the drawing down funds. Indeed, many providers currently expect to use their HPRP funds within two years. If this occurs, depending on the situation with the State of Illinois' funding of its Homeless Prevention program, some providers are concerned that they will run out of funds for homeless prevention services well before the three years allowed under the HPRP Program. In light of this, and given the success in preventing or quickly mitigating the effects of homelessness, some providers and advocates are already calling for making the HPRP Program permanent.

Finally, although the providers and advocates interviewed for this status update did not identify any systemic problems or concerns with the HPRP Program, continued monitoring is warranted given the limited data available to date. For example, there was some confusion among the providers about if, where and how their data would be publicly reported. This will be important to figure out as the Program proceeds in order to ensure that spending continues apace and to determine the effectiveness of the Program in terms of ARRA goals and assisting families.

Neighborhood Stabilization Program

Program Overview

Neighborhood Stabilization Program 1 (NSP1) dollars were distributed through a formula allocation as part of the Housing and Economic Recovery Act (HERA) of 2009. Funds are distributed by formula to local and state governments to address foreclosed properties. Grantees can use the funds for property acquisition, clearance, new construction, rehab, and other approved strategies. Data on NSP1 dollars are made available through the HUD Resource Exchange website. In addition, through the NSP1 Coordinating Council and other efforts, CMAP staff has knowledge on the implementation status and the success and challenges in this program. The CMAP region received a total of \$115 million in direct formula funding to eleven jurisdictions. The following table shows the distribution of formula funding and the amount of funds committed and spent as of May 1, 2010.

Recipient	Award	Committed	Spent	Percent Committed	Percent Spent
Aurora	\$3,100,000	\$1,100,000	\$600,000	35%	19%
Chicago	\$55,200,000	\$31,800,000	\$2,000,000	58%	4%
Cicero	\$2,100,000	\$1,600,000	\$1,200,000	76%	57%
Cook County	\$28,200,000	\$7,900,000	\$0	28%	0%
DuPage County	\$5,200,000	\$4,700,000	\$3,800,000	90%	73%
Elgin	\$2,200,000	\$1,000,000	\$500,000	45%	23%
Joliet	\$3,500,000	\$2,900,000	\$200,000	83%	6%
Kane County	\$2,600,000	\$300,000	\$0	12%	0%
Lake County	\$4,600,000	\$1,900,000	\$1,300,000	41%	28%
McHenry County	\$3,100,000	\$1,700,000	\$1,200,000	55%	39%
Will County	\$5,200,000	\$4,200,000	\$3,500,000	81%	67%
Total formula funding in the Northeastern IL region	\$115,000,000	\$59,100,000	\$14,300,000	51%	12%

The City of Chicago received the largest award, nearly 50 percent of all funds awarded by formula in the region. Cook County followed, receiving approximately 25 percent of the direct formula grant funding in the region. About 51 percent of funds in the region have been committed, and about 12 percent have been spent. As mentioned earlier, grantees are required to commit funds by September 2010. All funds must be spent within four years from when the grant agreement was signed. The majority of spent funds have been on acquisition and residential rehab.

An additional \$53 million was allocated to Illinois Housing Development Authority through formula funding, of which ten sub-recipients in the region received approximately \$32 million through a competitive bid process.

NSP2 grants, which were made through national competitive process, were announced in January and there is not yet spending data on NSP2. Awards in the region include \$98 million to the City of Chicago and \$18 million to the City of Evanston. In addition, two multi-state grants awarded include the region; the Center of Community Self-Help was awarded \$11 million and Chicanos Por La Causa was awarded \$137 million.

Challenges and Successes

The success of the NSP program is contingent upon the public sector recipient's ability to allocate resources efficiently to competent developers, contractors and housing counselors who are able and willing to target acquisition, rehab and resale (or rental) efforts in a manner which

advances the sound strategic goals of municipal leaders. Success further hinges upon the ability of the public sector recipients or their sub-recipients (or their subcontractors) to negotiate swiftly with banks and property owners in control of the vacant and abandoned properties.

The ability to accomplish the above objectives depends entirely on track record and capacity. Given that dollars were targeted to the areas “hardest hit” by foreclosure trends, and that NSP timelines were extremely tight, the resources that flowed most efficiently tended to be those within larger municipalities and counties with existing plans, partners and systems in place (or separately funded) to acquire, rehab and resell (or rent) a considerable quantity of sites.

Anticipated Future Progress and Issues

While the City of Chicago, DuPage County, Joliet and Cicero found that existing capacities and/or new (and independently funded) partnerships could often quickly support NSP goals, other grant recipients found that additional courses of action needed to be explored in order to more effectively utilize program funds. For example, the State and Cook County found themselves needing to create new strategies and capacities for addressing the “hardest hit” communities. The below improvements could increase the likelihood of successfully making use of NSP funds:

- Invest in and encourage inter-jurisdictional coordination among municipalities working across borders to link their NSP strategies to broader sub-regional economic development goals -- aligning housing, transportation, job and land-use decisions.
- Support local capacity building vehicles to supplement the national technical assistance funded largely by out-of-town visiting experts. Especially in the hardest hit areas, ongoing support and trouble shooting is needed to inform and bolster the independent and joint efforts of state, county and municipal leaders, as well as developers and counseling agencies. Optimally, such capacity building vehicles should enable NSP recipients to exchange best practices and trouble shoot with each other, while hearing from interagency (public and private sector) partners around the table and through follow-up, individualized assistance.
- Create further incentives for REO servicers to work through the National Community Stabilization Trust or other vehicles.

Workforce Investment Act (WIA)

Program Overview

The Department of Labor provided formula grants to states to allocate Workforce Investment Act funds through the existing administrative structure. The State of Illinois received a total of approximately \$156 million for workforce development services, including job training. Ten

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percent of this is used as discretionary funding by the state, some of which was distributed by a competitive process to fund bridge programs, sectoral workforce development projects and youth employment initiatives. The grants focused on industries with a critical skills shortage, including health care and for emerging “green” industries. Eighty percent of the ARRA WIA funds were awarded by formula to the Local Workforce Investment Areas (LWIA), governed by the local Workforce Investment Boards to fund the three existing WIA programs areas: Adult, Dislocated Workers, and Youth workforce services. The reporting data shows that the state has spent \$67.8 million, which includes discretionary awards and formula grants.

Regional Overview

According to the state’s reporting data, the state has allocated approximately \$80 million to the eight LWIAs in the region, of which 63 percent has been spent. The City of Chicago received nearly 45 percent of this funding, and nearly 30 percent was allocated to the two Workforce Investment Areas that serve suburban Cook County.

The WIA formula grants in the region and status of spending is shown in the following table.

Recipient	Youth Programs		Adult Programs		Dislocated Workers	
	Award	Spent	Award	Spent	Award	Spent
City of Chicago	\$17,509,296	89%	\$5,930,737	52%	\$13,001,819	52%
Cook County	\$5,676,547	39%	\$3,110,805	8%	\$6,807,589	8%
Will County	\$2,058,862	87%	\$748,906	89%	\$1,638,884	89%
DuPage County	\$1,458,570	75%	\$1,021,038	67%	\$2,234,407	67%
Kane County	\$2,165,075	88%	\$1,000,237	51%	\$2,191,871	51%
Lake County	\$2,452,479	91%	\$870,724	86%	\$1,907,648	86%
McHenry County	\$592,093	100%	\$396,778	95%	\$874,473	100%
Northern Cook County	\$2,630,484	86%	\$1,365,964	67%	\$3,094,771	68%
Total	\$34,543,407	80%	\$14,445,189	50%	\$31,751,463	51%

The south and west Cook County area lags behind all the other workforce areas for all programs areas, while McHenry, Will, and Lake County have spent the greatest percent of their funding. A total of 186 jobs have been created to implement the ARRA funded WIA programs. The City of Chicago has not provided any job creation figures available through the Recovery.gov site, although the Recovery Partnership’s 12 month report shows that 2,498 jobs have been saved or created through ARRA workforce development funding. The program with

the most progress is the youth programs; 80 percent of the total funds for youth programs were programmed for summer youth programs. In Illinois, its first year ran from May 1 2009, to September 30, 2010. In the metropolitan Chicago region⁵, 12,468 youth enrolled in the summer youth programs. The Workforce Boards of Metropolitan Chicago completed a report describing the youth that participated and the challenge in implementing a program that most areas had not operated since the Job Training Partnership Act (the predecessor program to the federal Workforce Investment Act); see the report here:

<http://www.workforceboardsmetrochicago.com/upload/ARRASummerYouthProgrampercent20final.pdf>

The Chicago Job’s Council published a policy brief on the Summer Youth Employment Program (SEYP) that discusses the high demand and need for this kind of program. The brief provides several recommendations based on lessons learned from the SEYP and for consideration in future funding for similar programs. The brief is online here:

http://cjc.net/publications/documents/YouthSummerJobsBrief_May2010.pdf

State’s Competitive Grants

Approximately \$15 million of ARRA workforce award to the state is available through competitive grants administered by the Department of Commerce and Economic Opportunity (DCEO). Grants are for community gardens and local foods summer youth programs and training in high demand occupations to WIA eligible individuals and incumbent workers.

Available reporting data DCEO’s awards, including for community gardens and local foods summer youth employment programs, are shown in the following table.

Recipient	Awarded	Percent Spent
Back of the Yards Neighborhood Council	\$81,143	73%
Center on Halsted	\$56,224	63%
Chicago Horticultural Society	\$215,106	81%
Growing Home Inc.	\$19,670	89%
Lumity	\$64,350	100%
Prairie Crossing Institute	\$48,760	79%
Victor C Neumann Association	\$50,288	63%
Total	\$535,541	79%

Proposals for DCEO’s sector-based initiatives were due in September 2009 and a total of 32 awards totaling \$9.2 million were announced. Spending and job creation data from the recipients of these competitive grants are not yet available. The following chart summarizes the anticipated number of grants and estimated amount awarded for each sector.

⁵ Including the Grundy, Livingston, Kankakee Workforce Investment Area.

Sector	Number of Grants	Total Award Amount
Healthcare IT	18	\$5,403,896
Manufacturing	7	\$1,826,799
Transportation, Distribution, Logistics	2	\$858,223
Green Industries	5	\$1,066,581
Total	32	\$9,155,499

Challenges and Successes

Because WIA had an existing infrastructure, the state and LWIAs were able to quickly implement programming. Compared to other areas of ARRA funding, there were few delays in implementing WIA-ARRA programs. Any delays that occurred were not unexpected and were due to things like: state and LWIAs developing implementation plans required under ARRA; awaiting clarification from the U.S. Department of Labor or the Department of Commerce and Economic Opportunity on new or changed policies; and limits of staff capacity to administer new funding. Differences in local areas of the region are tied to the differences in local city and/or county administration in general. The extent to which there are local budget cuts, payment delays or contracting challenges in a particular city or county had an impact on being able to quickly implement WIA-ARRA programming. ARRA promoted particular WIA policies, including using more funding for support services and needs-related payments, as well as allowing LWIAs to contract for training (rather than only use Individual Training Accounts), but it is not yet clear how many LWIAs were able to take advantage of these policies in a new or different way with their ARRA funding. LWIA 9 (Chicago) used ARRA funding to increase expenditures available for both support services and needs-related payments. Support services included an additional \$1.2 million and needs-related payments included an additional \$1 million for individuals enrolled in WIA. We also know that the amount of funds set aside for needs-related payments was expended relatively quickly indicating there was a need for those funds and that the policy could be implemented easily. Anecdotally the use of contracts to buy cohorts of training was not embraced early on in the region and this was due, in part, to the fact that existing demand and waiting lists for ITAs meant that LWIAs could spend their WIA-ARRA funding quickly.

The biggest initial challenge was to comply with the directive under ARRA to use the WIA youth funding for summer youth employment opportunities and to use the majority of it in the summer of 2009. This was a challenge for all local areas because the federal funding for summer youth employment had been eliminated years ago, so many areas no longer had the local infrastructure in place to run summer youth employment programs. The City of Chicago LWIA was an exception because it has continued to run summer youth employment programs

with non-WIA funding. However, even the City of Chicago experienced some difficulty in managing the large influx of funding provided by WIA and implementing a seamless program for youth, providers and work sites. In general LWIAs were very committed to successful summer youth employment programs and, in the end, provided employment opportunities to over 12,000 youth in the region. Local areas initially focused on the start up and administration of summer youth employment, and did not necessarily have as much capacity or time to make any innovations or develop new strategies in the adult or dislocated worker programs.

Anticipated Future Progress and Issues

The biggest foreseeable challenge is that the service delivery system that has dealt with this influx of one-time funding under ARRA will quickly need to downsize when the funds run out. Moreover, federal funding allocations under WIA have decreased for the next year, which could also result in the reduction of existing service delivery systems. Another challenge is that in a continuing weak labor market individuals who have gotten services under WIA-ARRA are taking longer to find jobs and may need services for a longer period of time, extending beyond the ARRA funding, putting further demand on an already-stretched workforce development system. Lastly, the success and continued demand for summer (and year round) employment opportunities for youth and young adults means that the loss of WIA-ARRA funding is already being felt by LWIAs who have been focused on getting additional funding at the federal level.

Competitive Workforce Development Grants

The American Recovery and Reinvestment Act included \$750 million in competitive grants for green jobs training, emerging sectors, research and related activities. The following awards were made in Illinois⁶:

Green Capacity Building Grants: There was \$5 million available nationally to increase the training capacity of selected current Labor Department grant recipients through a variety of strategies, and to offer training opportunities to help individuals acquire jobs in expanding green industries. They were targeted at underserved communities, including women, at-risk youth and others. Only existing DOL grantees were eligible to apply. The following grants were made in Illinois: Easter Seals Inc. in Chicago was awarded \$99,956, OAI, Inc. in Chicago was awarded \$100,000, the Springfield Urban League Inc. was awarded \$100,000, the Youth Conservation Corps in Waukegan was awarded \$100,000, YouthBuild Lake County in North Chicago was \$100,000, and YouthBuild McClean County in Bloomington was awarded \$100,000.

State Labor Market Information Improvement: There was \$50 million available nationally to support the collection and dissemination of labor market information, enhancing the labor exchange infrastructure to provide career opportunities within clean energy industries. The

⁶ Provided by Chicago Jobs Council

Illinois Department of Employment Security was eligible to apply and did so with a state consortium that was awarded \$3,753,000. The partnership is with Colorado, Florida, Illinois, New York, North Carolina, Texas, and Utah.

Energy Training Partnership Grants: There was \$100 million available nationally. Eligible applicants included national, nonprofit labor management organizations and statewide or local nonprofit entities with a joint partnership of labor organizations, WIBs, and one stops and employers or industry organizations. In Illinois, funding was awarded to the National Ironworkers and Employers Apprenticeship Training and Journeyman Upgrading Fund, which received \$1,943,931, across five states, including areas within 400 miles of Joliet, for dislocated worker training.

Pathways Out of Poverty: There was \$150 million available nationally; the focus of the solicitation was disadvantaged populations and career pathways. Jobs for the Future was awarded \$7,997,936 across five cities, including Chicago; the local recipient is the Partnership for New Communities, which will serve Chicago Housing Authority residents through their Opportunity Chicago program. In addition, the National Council of La Raza was awarded \$3,063,839 across three cities, including Chicago. Their local partner is Instituto del Progreso Latino and will be focusing on training for energy efficiency occupations.

State Energy Sector Training Partnership: There was \$190 million available nationally; the Illinois Workforce Investment Board was the only entity in Illinois that was eligible to apply. Illinois received \$6 million statewide. Chicago's project will be administered by the Chicago Workforce Investment Council and will focus on occupations in the building retrofits for energy efficiency industry. The greater Rockford area and communities in central and southeast Illinois will also receive funding and will focus their projects on energy efficiency as well as clean and renewable energy.

Health care and other high growth and emerging industries: An additional \$250 million was awarded on a competitive basis for other emerging and critical industries, including health care. Governors State University was awarded \$4.9 million to coordinate an effort that will help provide training and placement services to unemployed, dislocated, and low-wage incumbent workers so that they can pursue careers in the health care sector. The funds will be used to support a network of providers who will provide intake, case management, training, support services, and placement services. The program will serve southern Cook County and eastern Will County.

Weatherization

Program Overview

The Illinois Home Weatherization Assistance Program (IHWAP), under the Illinois Department of Commerce and Economic Opportunity (DCEO), administers funds for weatherization assistance programs to local community action agencies or non-profits throughout the state.

Weatherization Recovery Act funds are administered using the existing structure, although income eligibility guidelines have been adjusted to serve more people. Citizens in need of assistance apply directly to the agency provider in their area to determine eligibility and receive assistance to weatherize their homes. The state received a total of \$242.5 million which is significantly higher than previous years funding. DCEO sub-granted weatherization funds to Community Action Agencies, which align with County Borders in the northeastern Illinois region. DCEO is requiring Community Action Agencies spend forty percent of funds within the first year, which began July 1, 2009.

Regional Summary

According to data available on the State of Illinois' Recovery Website, as of April 30, 2010, the region has spent 22 percent of the \$47.8 million awarded to local agencies by the state; this is not the total amount of ARRA weatherization funds these agencies will receive, but represents what has been awarded by the state thus far. The table below shows how the counties differ. Cook and Kendall County have paid out the least amount. Lake County spent the highest percent of their funds, 75 percent followed by Kane County which spent 70 percent of its funds. Nearly 200 jobs have been created or retained through the weatherization program in the region.

Recipient	Awarded Amount	Percent Spent
Community & Economic Development Association of Cook County (CEDA)	\$39,544,417	17%
DuPage County	\$2,268,240	20%
Community Contacts Inc. Kane County	\$2,205,501	70%
Will County Center for Community Concerns	\$1,558,876	37%
Community Action Partnership of Lake County	\$1,001,464	75%
McHenry County Housing Authority	\$734,251	32%
Kendall County	\$466,186	5%
Total	\$47,778,935	22%

This reporting data does not provide a complete picture of weatherization activity as it only shows the projects that are complete. As of June 16, a total of 8,950 Illinois homes have been weatherized and an additional 6,535 are in progress. Local CAA's are confident the funds will be fully expended by the deadline, June 30, 2011. The process to weatherize homes can be long, beginning with income verification. One important development to ease the income verification process for multi-family buildings offers great promise in expediting the weatherization of buildings. A national MOU between HUD and DOE allows HUD certified buildings to be pre-approved for weatherization funding. While the Chicago region CAA's have yet to implement this policy change, it shows how inter-agency collaboration addresses hurdles in implementing programs quickly so that deadlines are met and more people are served.

The ARRA federal weatherization program calls for a 20 fold increase in expenditures and weatherized units over a two year period. These are aggressive goals and require significant

capacity. In order to meet the goals, implementation assistance is needed at both the state and local level across the US in order to achieve the targets.

Challenges and Successes

Illinois has taken some important steps towards implementing the aggressive goals of the ARRA weatherization program. These include increasing the trained contractor base, increasing staffing capacity at the local CAP agencies, and continuing to implement the existing pre-ARRA weatherization program.

Initially, CAP agencies experienced delays in the implementation of the ARRA weatherization program, which resulted from an indistinct interpretation of the program's conditions, particularly the Davis-Bacon requirements. However, those difficulties have largely been overcome and CAP agencies have begun implementation of the ARRA program and are beginning to weatherize units.

Now that DCEO and the CAP agencies have systems in place to implement the ARRA program, additional capacity can be brought in to supplement the weatherization efforts. Even though the first year goals are unlikely to be met by June 30, 2010, if substantial progress is shown and additional capacity is brought in, it is feasible for Illinois to make the case that the ARRA targets can be met by March 31, 2011.

Should Illinois need to explore options to build additional capacity, the following models used by other states facing similar challenges could be considered:

1. Add weatherization capacity by identifying temporary weatherization providers:

The State of New York's approach to dealing with the ARRA Weatherization money was to subgrant some of the funds to temporary weatherization providers. The link to the New York State (DHCR) solicitation for "temporary subgrantees" is here:

<http://www.dhcr.state.ny.us/Funding/RFPs/waprfp0709.htm>

The temporary subgrantees have been tentatively awarded, and have begun working. The awarded temporary subgrantees are a mix of non-CAP agencies, such as Enterprise/LISC, CPC, and larger existing CAP agencies (generally in partnership with some other non-profit or government group), such as AEA, CEC, and PEACE.

The general WAP ARRA plan can be found at:

<http://www.dhcr.state.ny.us/Publications/WeatherizationRecoveryActFundingPlan/>

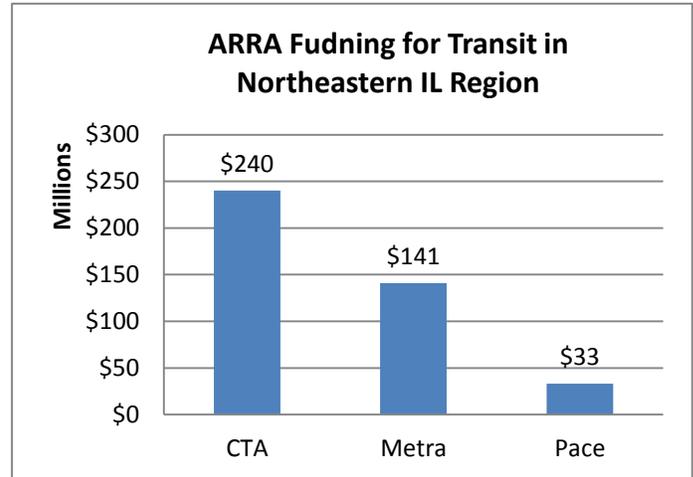
2. Enter into an inter-agency agreement with a sister state agency.

In Pennsylvania, the multifamily weatherization money has been given to the Pennsylvania Housing Finance Authority (~ \$25 million) for the "Smart Rehab" program. The program description is here: <http://www.phfa.org/developers/preservation/>

Transportation

Overview

The ARRA provided funding for capital transportation projects in Northeastern Illinois for highways and transit. ARRA required 50% of all formula funding coming to the state be obligated within 120 days of enactment. The additional 50% had to be obligated within a year. ARRA was signed into law on February 17, 2009 and funds were apportioned on March 2. The obligation clock started at that time. IDOT and the transit agencies were prepared to obligate all of the initial 50% within the 120 day timeframe. The transit agencies received funding based on the Urban Formula and Rail Modernization programs. Metra and CTA received additional funding through the Transportation Security Agency (TSA) which was used to enhance their facilities. Data on stimulus spending show that funds spent on public transportation were a more effective job creator than stimulus funds spent on highways⁷. ARRA funds were also distributed to local municipalities. These funds were distributed through existing avenues which allowed the eleven suburban CMAP Councils of Mayors and Chicago’s Department of Transportation (CDOT) to program the funds efficiently through their existing processes. The Councils of Mayors and CDOT completed project selection within 42 days (April 14, 2009). The projects were included in the regional Transportation Improvement Program (TIP) and the first ARRA projects programming by the local municipalities were placed on the June 2009 IDOT bid letting.



The CMAP region and the entire state was 100% effective in obligating all ARRA formula transportation funding by March 1, 2010. Due largely to the economic downturn, many bids for construction came in under cost estimates. The “left over” funds available for re-programming

⁷ <http://www.cnt.org/repository/What%20We%20Learned.ARRA-jobs-report.pdf>

must be obligated by September 2010. The region is on track to obligate those funds by the deadline. The following chart illustrates the amount of funds that have been obligated up to the low bids. Using the existing transportation programming structures allowed for meeting all deadlines imposed by the legislation and guidance.

In addition to the transportation formula funds, ARRA included surface transportation discretionary funding programs; Transportation Investment Generating Economic Recovery (TIGER) grants, Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) grants and High-Speed Intercity Passenger Rail (HSIPR) grants. Project implementers/sponsors within the CMAP region were recipients of funds from all three of the grant programs. The CREATE program received \$100 million from the TIGER Grants program for projects along the Beltway Corridor, the 71st- IHB grade separation and fifteen viaduct improvement projects. The TIGGER program awarded \$1.5 million to the CTA for the construction of electrified bus stalls to help reduce idling and \$1.3 million to Pace (via IDOT) for the purchase of 10 paratransit hybrid busses. IDOT received a little over \$1.2 billion in HSIPR funds for the Chicago to St Louis corridor and a flyover needed for the Chicago to Detroit corridor.

VI. Conclusion

There are many details on spending, challenges, and successes that have been briefly summarized in this overview report. It is clear that some programs are experiencing more challenges than others and there is a need to ensure funds are invested within the time period required. In addition, through interviews it has become clear that some grant recipients are facing challenges in meeting the compliance requirements of the programs—specifically those that involve building construction through the EECBG program. These requirements require a great deal of time and expertise to track and manage the required compliance and performance metrics. While this issue has not been a focus in this report, it has recently emerged as an obstacle to successful programs. There may be an opportunity to share resources and create collaborative solutions.

The intent of this report is to highlight opportunities to support successful programs and to continue discussions with the leaders of these programs, as well as the sub-recipients, to determine how to best address issues such as slow spending and complicated compliance requirements. The RACC intends to use this report for this purpose and will make updates to include new developments and summarize new data.